

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

RHODIA, INC.

AI # 1314

**PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.**

* **Settlement Tracking No.**
* **SA-AE-05-0058**
*
* **Enforcement Tracking No.**
* **AE-CN-01-0401**
* **AE-CN-01-0401A**
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SETTLEMENT

The following Settlement is hereby agreed to between Rhodia, Inc. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

The Respondent owns and/or operates a sulfuric acid plant and a vanillin production facility located on the east bank of the Mississippi River on U. S. Highway 61 (Airline Highway) at the foot of the old Mississippi River Bridge in Baton Rouge, East Baton Rouge Parish, Louisiana. The Sulfuric Acid Plant operated under Air Permit No. 0840-00033-02 issued on June 12, 1995. An administrative amendment to the permit was issued on August 9, 1996. The Vanillin Production Facility operated under Air Permit No. 2184 (M-2) issued on May 16, 1996 ("the Facility"). The Respondent operates the Sulfuric Acid Plant under Title V Permit No. 0840-00033-V0, issued on October 12, 2005. The Cathyval Plant operates under Title V Permit No. 2184-V0, issued on August 16, 2005.

II

On May 18, 2004, the Department issued a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-01-0401 to Respondent, which was based upon the following findings of fact:

a.

On or about September 28, October 10 and 31, 2001, inspections of the Respondent's facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violation was noted during the course of the inspections:

According to the Respondent, the Cathy Unit in the Vanillin Production Facility is subject to the fugitive monitoring requirements of LAC 33:III.2122 and the Treatment Services Unit is subject to the fugitive monitoring requirements of 40 CFR 264 Subparts BB and CC. Review of the Respondent's report dated January 31, 2001, during the inspection noted that the Respondent had reported the fugitive monitoring results for the Cathy Unit and Treatment Services Unit together instead of separately. Specifically, the Respondent reported that there were 14 leakers out of a total of 3,997 components with a resulting leak rate of 0.35 percent. The leak rate was calculated based on the total number of components for both units and the number of leakers found for those components. The report submitted also contained leakers found in units not subject to any fugitive monitoring requirements. Also, review of the report indicates that the Respondent counted all components toward the calculated leak rate instead of calculating the leak rate by component classification. In particular, the report indicates that connectors were counted in the total component count and the resulting calculated leak rate. Subsequent to the inspection, the Respondent reported in a letter dated October 24, 2001, that after separating the components monitored under 40 CFR 264 Subparts BB and CC in the Treatment Services Unit from those under LAC 33:III.2122 in the Cathy Unit and eliminating those components that were not subject to any fugitive monitoring requirements, the actual number of leaking components subject to LAC 33:III.2122 in the Cathy Unit was five (5) out of a total of 685 components with a leak rate of 0.7

percent. The Respondent's failure to correctly calculate and report the percentage of components leaking for the test period (calendar year 2000) covered by the January 31, 2001, report as defined in LAC 33:III.2122.C.4 and the total percentage of leakers, as defined in LAC 33:III.2122.C.5 for the Cathy Unit is a violation of LAC 33:III.2122.G.2 and G.3 and Section 2057(A)(2) of the Act.

b.

On or about September 9, 2003, a file review of the Respondent's Sulfuric Acid Plant was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the review:

- A. Rhodia is required by Specific Condition F of Air Permit No. 0840-00033-02 to speciate VOC and toxic emissions semiannually and to submit a detailed report semiannually to the Department by February 1 and August 1 of each year. The Respondent submitted the VOC and toxic emissions report dated August 1, 2001, to the Department which provided the total VOC and speciated TAP emissions for January through June 2001. The Respondent later submitted the VOC and toxic emissions report dated February 1, 2002, to the Department which provided the total VOC and speciated TAP emissions for the year 2001. A representative of the Department placed a call to the Respondent during a review of the report to question the difference in the emissions reported for the semiannual period (January through June 2001) and for the year 2001. The Respondent provided an explanation for the difference in emissions with revised emissions data in a letter dated October 1, 2003. The revised report listed 40.763 tons of VOC for 2001 and 0.0285 tons of benzene for 2001. The total benzene permitted for the facility as listed on the Air Quality Data Sheet Page 3 of Air Permit No. 0840-00033-02 is 0.00104 tons per year and the total VOC permitted for the facility as listed on the Air Quality Data Sheet Page 3 is 22.72 tons per year. Each exceedance of the VOC permitted emissions limit and the benzene permitted emissions limit constitutes violations of General Condition II of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- B. In a letter dated August 30, 2001, the Respondent notified the Department in writing of a project to add a fifth reactor in the Cathy

Unit which would increase emissions of VOC by 0.022 tons per year. The Respondent submitted a small source permit request on or about July 13, 2001. However, before the small source permit had been issued, the Respondent commenced construction on the project on or about August 20, 2001. According to the Respondent, once it was realized that construction had commenced prior to issuance of the small source permit, the project was shut down. The Respondent stated in the letter that construction would not commence again until the air permit was received. The Respondent's commencement of construction of a facility which ultimately may result in an increase in emission of air contaminants prior to issuance of an air permit by the permitting authority is a violation of LAC 33:III.501.C.2 and Section 2057(A)(2) of the Act.

c.

On or about February 15, 2001, the Respondent met with the Department to discuss several permitting issues. A second meeting was held with the Department on March 12, 2001, to discuss the issues in more detail. The Respondent submitted documentation of the issues covered in the meeting and attached additional information relevant to the issues in a letter dated April 2, 2001. On or about September 9, 2003, a file review based on the Respondent's reported information was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the review:

- A. According to a letter dated April 2, 2001, and a meeting held with the Department on March 12, 2001, according to the Respondent the Cathy Unit and the Daphne Unit, when making anisole, in the Vanillin Production Facility are subject to LAC 33:III.2122. Fugitive emissions monitoring was performed in accordance with this regulation. However, the Respondent noted that there was a failure to submit semiannual reports for the Cathy Unit from the time monitoring began and for a short duration of time when anisole was being produced in the Daphne Unit. The Respondent noted that the first semiannual report for the Cathy Unit was submitted on February

1, 2001 (dated January 31, 2001), covering the period of July through December 2000. Each of the Respondent's failure to submit semiannual monitoring reports for the time that the units were subject to the requirements of LAC 33:III.2122 is a violation of LAC 33:III.2122.G and Section 2057(A)(2) of the Act.

B. The Respondent's Sulfuric Acid Plant operates under Air Permit No. 0840-00033-02 and consists of two sulfuric acid furnaces, Unit 1 and Unit 2. In a letter dated April 2, 2001, the Respondent reported the actual emissions for Sulfuric Acid Unit 2 (Emission Point 2) from 1995 through 1999. According to the Respondent, though the maximum SO₂ permit emissions limit was based on the nameplate capacity, the annual and average permit emissions limits for both units were inappropriately established at less than the nameplate capacity. According to Table 1 of the Respondent's letter dated April 2, 2001, Sulfuric Acid Unit 2 exceeded the operating schedule listed on the Air Quality Data Sheet Page 1 for Emission Point 2 for 1995 and 1997. The Respondent reported 8,007 operating hours in 1995 and 8,677 operating hours in 1997. Each of the Respondent's exceedance of the operating schedule for Emission Point 2 established in the Air Permit is a violation of General Condition II of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

C. The Respondent's calculated emissions exceeded the permitted annual ton per year emission limitation for SO₂ for the Sulfuric Acid Unit 2 Stack (Emission Point 2) in the Sulfuric Acid Plant. The Respondent reported emissions of SO₂ in tons per year of 6,419; 6,046; 6,526; 6,070; and 5,726; for the years 1995, 1996, 1997, 1998, and 1999, respectively. Each of the Respondent's exceedance of the SO₂ emission limitation of 5,274 tons per year as listed on the Air Quality Data Sheet Page 3 of the Air Permit for Emission Point 2 for 1995, 1996, 1997, 1998, and 1999 is a violation of the Louisiana Air Emission Permit General Condition II of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

d.

On or about December 20, 2000, the Respondent met with the Department to discuss a possible noncompliance issue whereby there may have been a failure to perform the 30-day nitrogen oxides (NO_x) testing as required by 40 CFR 60.46b(e)(1) based on erroneous conclusions

made ten (10) years ago for a 106 MM BTU/hr package boiler subject to NSPS, Subpart Db.

e.

The Respondent submitted a letter dated January 9, 2001, to document the issue discussed during the December 20, 2000, meeting. In the January 9, 2001, letter, the Respondent notes that a recent review of testing requirements for the boiler, in conjunction with a planned update to the BACT compliance window, revealed that the 30-day NO_x emission test was never conducted. The Respondent continued, in the January 9, 2001, letter, that a review of notes and correspondence in the files indicated that the 30-day continuous NO_x test was not appropriate in this case. However, the Respondent noted in the letter that the conclusion that had been made appeared to be erroneous. The Respondent did note that an initial NO_x stack test for BACT was performed. This testing was conducted on or about July 22 through 23, 1992, and February 18, 1993. The Department received the results of the testing on May 12, 1993. The Department sent a letter to the Respondent dated September 3, 1993, which noted that the results were reviewed and found to be acceptable.

f.

On or about February 15, 2001, the Respondent met with the Department to discuss several permitting issues. A second meeting was held with the Department on March 12, 2001, to discuss the issues in more detail. The Respondent submitted documentation of the issues covered in the meeting and attached additional information relevant to the issues in a letter dated April 2, 2001. Attached to this letter was a copy of the Respondent's notes from the 1994 LDEQ/EPA air inspection indicating that the 30-day test was waived because compliance was demonstrated by the BACT window required by the permit.

g.

On or about September 9, 2003, a file review was performed to determine the degree of compliance with the Act and the Air Quality Regulations based on the information relayed to the Department in the meetings and in the letters. The review noted that on November 12, 1990, the Respondent was issued Air Permit No. 2038. This permit was to allow for the retirement of a 30 year old Springfield Package Boiler which was used to subsidize the amount of steam generated during the shutdown of either one of the two acid regeneration units, and replacement of the unit with a new package boiler capable of generating more steam in order to meet future additional steam requirements. The permit was based on the new package boiler having a steam generation capacity of 80,000 lb/hr with a heat input rate of 106 MM Btu/hr being fired with natural gas only. In accordance with Specific Condition 4 of Air Permit 2038, the new boiler (Emission Point 6-90) is required to comply with the requirements of the New Source Performance Standards (NSPS) 40 CFR 60, Subpart Db – Standards of Performance for Industrial, Commercial, Institutional Steam Generating Units. The LDEQ/EPA inspection, for which the Respondent submitted its notes that indicated that the 30-day test had been waived, occurred on or about January 13, 1994. An administrative amendment to Air Permit No. 2038 was issued on July 18, 1995. The amendment was to operate the boiler 100% of the year (8,760 hr/yr). The original permit was issued based on the boiler operating 50% of the year (4,380 hr/yr). The amended permit required in Specific Condition 2, demonstration of compliance with the NO_x emissions limit of the permit by performing a stack test on the package boiler (Emission Point 6-90), using the 30-day continuous monitoring method as specified in NSPS, 40 CFR 60, Subpart Db, Section 60.46b. Based on the Department's review, the following violations were noted:

Since the air permit was amended based on operating the boiler at 100% of the year and Specific Condition 2 was included in the amended air permit, the Respondent failed to demonstrate compliance with the NO_x emissions limit of the permit by performing a 30-day NO_x emission test on the package boiler (Emission Point 6-90) as required by NSPS, 40 CFR 60 Subpart Db. The Respondent's failure to perform the 30-day NO_x testing is a violation of 40 CFR 60.46b(e) which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Condition 2 of Air Permit No. 2038 as administratively amended on July 18, 1995, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act. The Respondent's failure to submit a monitoring plan and each semiannual report as required by 40 CFR 60.49b(c) and 40 CFR 60.49b(i), respectively, is a violation of Specific Condition 1 of Air Permit No. 2038 as administratively amended on July 18, 1995, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

h.

The Respondent submitted the 30-day NO_x emission test for the Package Boiler to the Department which noted that the testing was conducted from April 6 through May 9, 2001. The Respondent submitted the monitoring plan per 40 CFR 60.49b(c) in a letter dated June 15, 2001. The Respondent submitted the first semiannual report required by 40 CFR 60.49b(i) which was dated January 30, 2002.

i.

On or about September 9, 2003, a file review was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the review:

The Department received a report notification from the Respondent dated October 19, 2001, involving an incident that according to the Respondent did not result in a release to the environment. The incident occurred on or about October 14, 2001, and began at approximately 7:15 a.m. According to the Respondent's report, the incident was related to an error that occurred during the daily calibration of the Unit 1 stack sulfur dioxide (SO₂) analyzer. The incident

resulted in the analyzer being placed in bypass for approximately 22 hours. The SO₂ analyzer was placed in bypass as part of the daily calibration procedure. The employee responsible for the calibration failed to switch the analyzer back to normal operating mode after conducting the span check. According to the Respondent, since the span gas concentration (approximately 1,500 parts per million) resembles normal operating conditions, it was not immediately obvious to the unit operators that an error had occurred. The Department received a notification dated July 12, 2002, of an incident that occurred on July 3, 2002. The Respondent noted that the incident did not result in a release to the environment. According to the Respondent, the incident was related to the Unit 2 stack SO₂ analyzer which was inadvertently placed in bypass for approximately five (5) hours from 12:04:07 a.m. to 4:55:15 a.m. Each of the Respondent's failure to continuously monitor sulfur dioxide emissions with the analyzer to ensure compliance with the Louisiana Air Quality Regulations emission limit of 2000 parts per million by volume (three-hour average) and record three-hour averages is a violation of Specific Condition A.6 of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4, LAC 33:III.1511, and Section 2057(A)(2) of the Act.

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

On June 9, 2004, in order to settle this matter, Respondent and the Department entered into an informal dispute resolution agreement.

V

On November 10, 2004, an Amended Consolidated Compliance Order & Notice of Potential Penalty was issued to Respondent which added the following to the Order Portion of the Consolidated Compliance Order & Notice of Potential Penalty:

a.

Submit to the Permits Division by March 31, 2005, the appropriate revision to the Sulfuric Acid Plant's Title V reconciliation application under cover letter dated April 26, 2002, to

incorporate the proper SO₂ emissions limits for Sulfuric Acid Units 1 and 2. In addition, a copy of the cover letter attached to the revision shall be submitted to the Enforcement Division.

b.

To protect air quality, the Respondent is required to comply with the following:

- A. If the Respondent chooses to emit any air contaminate in the State of Louisiana from its Sulfuric Acid Plant, the following interim limitations shall apply for SO₂:

Equipment (Emission Point)	SO ₂ Average Limit (lb/hr)	SO ₂ Annual Limit (tons per year)	Interim Operating Schedule (Hrs/Day Days/Wk Wks/Yr)		
Unit 1 Stack (Emission Point 3)	904	3,970	24	7	52
Unit 2 Stack (Emission Point 2)	1938	8,512	24	7	52

All other emission limitations, monitoring requirements, and permit conditions of Air Permit No. 0840-00033-02 shall remain in effect and enforceable.

The interim limitations and operating schedule shall remain in effect and enforceable until the modified Title V Operating Permit containing the appropriate emissions limitations for SO₂ for the Sulfuric Acid Unit 1 Stack (Emission Point 3) and Sulfuric Acid Unit 2 Stack (Emission Point 2), is issued or unless otherwise notified by the Department.

The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the interim limitations.

- B. If the Respondent does not choose to emit SO₂ in the State of Louisiana from its Sulfuric Acid Plant, the Respondent shall, within thirty (30) days after receipt of the

Compliance Order, provide written documentation to the Department that no activities exist at the Respondent's facility resulting in any unauthorized discharges to the air.

c.

Submit quarterly progress reports to the Enforcement Division within thirty (30) days following the end of each calendar quarter commencing with the effective date of the Compliance Order, until completion/conclusion of the items in the Compliance Order. The progress reports shall contain a statement(s) noting the facility's compliance status in regard to the interim limits granted in the Compliance Order.

d.

Submit to the Enforcement Division, within thirty (30) days after completion/conclusion of the items described in the Compliance Order, a complete written report that shall include a detailed description of the actions taken to achieve compliance with the terms and conditions set forth in the Compliance Order.

VI

The Respondent submitted the revision to the Sulfuric Acid Plant's Title V reconciliation application under cover letter dated March 28, 2005, as required by the Order portion of the Amended Compliance Order and Notice of Potential Penalty. Title V Permit No. 0840-00033-V0 was issued on October 12, 2005.

VII

On or about March 23, 2005, the Department conducted a file review and the following violations were noted:

According to a Specific Condition Report for the 2003 calendar year dated February 15, 2004, the Respondent allowed the operation of the Industrial

Services Unit Four Portable Caustic Scrubber (Emission Point IFS-107) below the minimum permitted pH range of 10 to 12 during 2003. The scrubber operated in a pH range from 7.18 to 9.96 for seventy hours between March 26, 2001, and March 30, 2001. The Respondent's failure to operate the Portable Caustic Scrubber at a minimum pH range of 10 to 12 is a violation of Specific Condition Number 2 of Air Permit Number 7777-00314-01, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

Subsequent to the issuance of the Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement Tracking No. AE-CN-01-0401 and the Amended CONOPP, Enforcement Tracking No. AE-CN-01-0401A, the Respondent met with the Department on July 13, 2005, to discuss further noncompliance issues relative to the SO₂ emissions and operating hour exceedances that had been cited in the CONOPP for the sulfuric acid units and to provide information on nitrogen oxides (NO_x) and particulate matter (PM₁₀) emissions discovered not to be reflective of the current permit based on testing conducted on the sulfuric acid units. The Respondent submitted a letter dated July 20, 2005, to provide documentation of the issues that were discussed during the meeting. Based on the information provided by the Respondent in the July 13, 2005, meeting and the July 20, 2005, letter, the Department noted the following violations:

- A. The Respondent reported that in an attempt to define appropriate permit limits, tests were conducted on Sulfuric Acid Unit 1 (Emission Point 3) and Sulfuric Acid Unit 2 (Emission Point 2). The Respondent noted that NO_x and PM₁₀ are not continuously monitored, and therefore stack test results or emission studies are relied upon to determine when a revision to an emission factor is necessary. The test results indicated that permit limits were incorrectly established for NO_x and PM₁₀. The Respondent noted that based on the test results, exceedances of the NO_x limit occurred for 2004 and other prior years for Sulfuric Acid Units 1 and 2. Each exceedance of the NO_x emission limitation of 24.1 tons per year as listed on the Air Quality Data Sheet Page 3 of the Air Permit for Emission Point 2 for each year is a violation of the Louisiana Air Emission Permit General Condition II of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act. In addition, the failure to permit the PM₁₀ emissions

from Sulfuric Acid Units 1 and 2 is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. The Respondent reported that additional exceedances of the SO₂ emission limit for Sulfuric Acid Unit 2 (Emission Point 2) occurred for each of the years 2000 through 2003. The Respondent also reported exceedances of the SO₂ emission limit for Sulfuric Acid Unit 1 (Emission Point 3) for 2003. Each exceedance of the SO₂ emission limitation of 5,274 tons per year for Emission Point 2 and 2,467 tons per year for Emission Point 3 as listed on the Air Quality Data Sheet Page 3 of the Air Permit for each year is a violation of the Louisiana Air Emission Permit General Condition II of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

C. The Respondent reported that additional exceedances of the operating schedule listed on the Air Quality Data Sheet Page 1 for Sulfuric Acid Unit 2 (Emission Point 2) occurred for each of the years 2001 through 2003. Each exceedance of the operating schedule for Emission Point 2 established in the Air Permit is a violation of General Condition II of Air Permit No. 0840-00033-02, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

VIII

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IX

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00), of which ONE THOUSAND ONE HUNDRED ELEVEN AND 89/100 DOLLARS (\$1,111.89) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

X

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & Notice of Potential Penalty, the Amended Consolidated Compliance Order & Notice of Potential Penalty, the file review of March 23, 2005 and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent. In any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history, but Respondent may present relevant mitigating factors for the Department's consideration.

XI

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

XII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

XIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in East Baton Rouge Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XIV

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XV

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

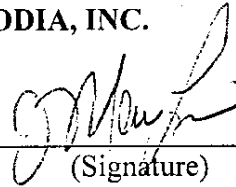
XVI

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such

party to its terms and conditions.

RHODIA, INC.

BY:



(Signature)

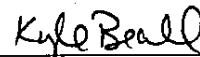
J. Marcus Lewis

(Printed or Typed)

TITLE:

Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 14TH day of
DECEMBER, 20 05, at 3:00 PM.



NOTARY PUBLIC (ID# 24950)

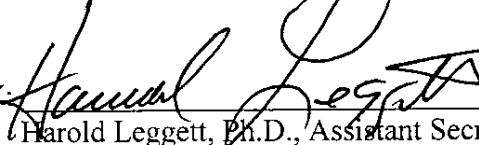
Kyle B. Beall

(Printed or Typed)

LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY

Mike D. McDaniel, Ph.D., Secretary

BY:



Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

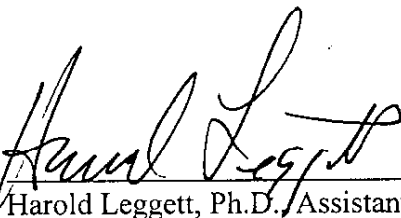
THUS DONE AND SIGNED in duplicate original before me this 6th day of
March, 20 06, at Baton Rouge, Louisiana.


NOTARY PUBLIC (ID # 20456)

Ted R. Bayle, Jr.

(Printed or Typed)

Approved:



Harold Leggett, Ph.D., Assistant Secretary